

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

ARTESYN NORTH AMERICA, INC.,)	
)	
Plaintiff,)	Case No.: 04-10727-PBS
)	
vs.)	ANSWER AND AFFIRMATIVE
)	DEFENSES TO COUNT I OF
GALAXY POWER, INC.,)	DEFENDANT'S COUNTERCLAIMS
)	
Defendant.)	
)	
)	
)	

**ANSWER AND AFFIRMATIVE DEFENSES
TO COUNT I OF DEFENDANT'S COUNTERCLAIMS**

Plaintiff Artesyn North America, Inc., ("Artesyn"), by and through its undersigned counsel, hereby files this Answer and Affirmative Defenses to Count I of Defendant's Counterclaims:

1. The averments of Paragraph 1 state Defendant's intentions to file a counterclaim, to which no response is required.
2. Plaintiff admits the averments in Paragraph 2 to the extent Artesyn is identified as the successor of Zytec in connection with the 1994 Agreement. Plaintiff denies the remaining averments of Paragraph 2. By way of further response, Plaintiff alleges that Artesyn and Galaxy agreed that Artesyn would withhold the payment of \$100,000 due under the Agreement.
3. Plaintiff admits that it has not made the final \$100,000 payment under the 1994 Agreement, but denies the remaining averments of Paragraph 3, and denies that it owes anything to Galaxy.

4. The averments of Paragraph 4 state or imply a conclusion of law, to which no response is required. To the extent that a response is deemed to be required, Plaintiff denies the averments of Paragraph 4.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Defendant's counterclaim fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Defendant's counterclaim is barred by the doctrine of estoppel.

THIRD AFFIRMATIVE DEFENSE

Defendant's counterclaim is barred by the doctrine of waiver.

FOURTH AFFIRMATIVE DEFENSE

Defendant's counterclaim is barred by the parties' mutual agreement that Plaintiff would withhold the last payment of \$100,000 due under the Agreement, to offset a portion of the monies owed by Galaxy pursuant to the indemnification provision of the 1994 Agreement.

FIFTH AFFIRMATIVE DEFENSE

Defendant's counterclaim is barred by its own breach of contract.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff denies that it owes Defendant any amount of money, but to the extent that Plaintiff is found to owe Defendant any amount of money, such amount must be reduced or offset by the amounts owed by Defendant to Plaintiff.

WHEREFORE, Plaintiff respectfully requests that this Court dismiss Count I of Defendant's Counterclaims (Defendant already has withdrawn Counts II and III), order Defendant to pay all costs, expenses and attorney's fees incurred in this action and that Plaintiff be awarded the relief requested in its Complaint and such other and further relief as this Court deems just and proper.

Dated: August 16, 2004

Respectfully submitted,

KIRKPATRICK & LOCKHART LLP

/s/ Thomas F. Holt, Jr.

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Attorneys for Artesyn North America, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing ANSWER AND AFFIRMATIVE DEFENSES TO COUNT I OF DEFENDANT'S COUNTERCLAIMS is being served this 16th day of August, 2004 by U.S. First Class Mail addressed as follows:

Louis M. Ciavarra
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/s/ Thomas F. Holt, Jr.